

# Industrial Power Services Corp.

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July 13, 2006

Mr. Howard Bernstein  
Division of Energy Resources  
100 Cambridge Street, Suite 1020  
Boston, Massachusetts 02114

RE: Comments on the Proposed Guideline on the RPS Eligibility of Biomass Generation Units and Proposed Modifications to 225 CMR 14.00

Dear Mr. Bernstein,

Industrial Power Services Corp. (IPS) is not in favor of the proposed changes to the Renewable Portfolio Standard as described in the guideline and regulations 225 CMR 14.00, issued June 2, 2006.

IPS owns and operates a 3.2 MW landfill gas to energy facility in Granby, MA. Additionally, IPS is developing a number of renewable energy projects throughout Massachusetts. The DOER's continued proposals to modify the RPS program and the definition of what constitutes an eligible biomass technology, create an uncertain environment in which to develop renewable energy facilities. The projects that IPS and other developers have in development will be negatively impacted should these proposed regulations take effect.

Adopted in 2002, the RPS is just now beginning to gain momentum, with the renewables industry yet to see the full financial benefit of the RPS and RECs. Stable regulations are critical to the development of a strong renewable energy industry, and a REC market that truly encourages the financing of new, clean, renewable energy projects is crucial to the advancement of the industry. Changes to the RPS and the RECs market this early in the life of the regulations will undermine confidence in the long term value of RECs, making it significantly more difficult for projects to secure financing. A reliable and robust RPS program demands predictability, just as developers, investors, and lenders require market stability in order to make financial decisions.

The proposed guidelines and regulations will act as a deterrent to the development of smaller as well as more diversified renewable energy facilities, by allowing certain pre-existing biomass facilities to qualify as new renewable. This will result in a large quantity of RECs flooding the market and REC prices will be destroyed. RECs offer financial incentive to developers of renewable energy, and developers depend on a stable or escalating revenue stream in order to develop and operate renewable energy facilities. If the financial incentive is removed there will be no further development of renewable energy facilities in Massachusetts, of any kind. Without an expanding renewables industry, there will be no new jobs creation; layoffs in the emerging photovoltaic and wind industries may result. Currently operating renewable energy facilities will become less profitable, which may result in employee lay-offs, eliminating expansion plans, or ceasing operations altogether.

Thank you for the opportunity to comment.

Sincerely,

James M. Malandrinos, President

